

Message Text

LIMITED OFFICIAL USE

PAGE 01 NEW DE 01353 282211Z

12

ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 FEA-01 AGR-05 CEA-01 CIAE-00

DODE-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00

NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04 TAR-01

TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 GSA-01 /092 W

----- 073647

R 281205Z JAN 76

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 3643

LIMITED OFFICIAL USE NEW DELHI 1353

E.O. 11652: N/A

TAGS: USINJC, EMIN, ETRD, IN

SUBJECT: MICA

REF: STATE 305281, NEW DELHI 16014

1. WE HAVE DISCUSSED WITH MITCO'S MANAGING DIRECTOR JAIN THE ISSUES RAISED IN THE DEPARTMENT'S REFTEL AND IN MARSHALL'S LETTER OF DECEMBER 22, 1975.

2. ON JANUARY 15, 1976 JAIN REPLIED TO MARSHALL CLEARLY STATING MITCO'S POSITION AND GUAGING FROM THE TEXT OF THE LETTER THERE APPEARS TO BE LITTLE ROOM FOR FURTHER NEGOTIATION. A COPY OF JAIN'S LETTER WILL BE POUCHED.

3. IT WAS JAIN'S UNDERSTANDING THAT THE BASIC ISSUES RAISED BY MARSHALL HAD BEEN RESOLVED IN AN INFORMAL ACCORD REACHED DURING THE OCT/NOV 1975 MEETINGS IN NEW YORK WHICH WAS ATTENDED BY INDIA'S DZPUTY MINISTER OF COMMERCE VISHWANATH PRATAP SINGH. JAIN FEELS THAT UNTIL THE ACCORD PROVES UNWORK- ABLE WE SHOULD AT LEAST ABIDE BY IT AND GIVE IT A CHANCE.

4. JAIN CONVEYED TO EMBASSY OFFICER THE DEPUTY MINISTER'S
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 NEW DE 01353 282211Z

INDIGNATION AS WELL AS HIS OWN AT MARSHALL'S REQUEST

THAT THE DEPUTY MINISTER OF COMMERCE PERSONALLY CONFIRM IN WRITING THE ARBITRATION RULES AND GUARANTEES BY THE INDIAN RESERVE BANK. JAIN STATED THAT FOR PROTOCOL REASONS SUCH MATTERS ARE NOT SIMPLY HANDLED IN THIS WAY. MOREOVER, JAIN EXPLAINED THAT THERE COULD BE NOTHING MORE FORNYVTTHAN A PUBLIC NOTIFICATION ISSUED BY THE GOI ON THE SUBJECT. AS FAR AS THE REMITTANCES ARE CONCERNED, THEY WILL BE IN THE CURRENCY IN WHICH THE ORIGINAL PROCEEDS ARE RECEIVED.

5. AS EXPLAINED IN JAIN'S LETTER OF JANUARY 15, HE CLEARLY SEES A DISTINCTION BETWEEN 1/2 INCH AND 3/4 INCH SCRAP MICA. OTHERWISE, THERE WAS NO PURPOSE IN PUTTING SCREEN SIZE IN THE RECORD NOTES. SINCE 3/4 INCH MICA INVOLVES EXTRA LABOR AND WASTE, JAIN FEELS A HIGHER PRICE FOR 3/4 INCH SCJFP MICA IS FULLY JUSTIFIED. HE DOES NOT AGREE WITH MARSHALL THAT IT WOULD BE DIFFICULT TO DISTINGUISH BETWEEN 1/2 INCH AND 3/4 INCH SCJDN AND SAID THAT IN THIS REGARD GOI EXPORT INSPECTION COUNCIL IS IN THE PROCESS OF AISSUING A SEPARATE NOTIFICATION DEFINING 3/4 INCH MICA SCRAP SCREEN. JAIN AGREED TO PROVIDE US WITH A COPY.

6. COMMENTING ON REOPENING MITKL'S 40/60 SHARING FORMULA WITH THE PRIVAZE SECTOR, HE STATED GOI IS NOT REPEAT NOT PREPARED TO RECONSIDER THE ISSUE.

7. COMMENT: FROM READING THE MINUTES OF NOV 5 MEETING & STATE 271168 WE THOUGHT THAT THE 40/60 ISSUE HAD BEEN SETTLED. WE DO NOT KNOW WHY MIA FINDS THE PROPOSED ARRANGEMENT "UNWORKABLE" SINCE IT NEVER HAS BEEN TRIED. IN ACTUALITY MITCO HAS BEEN MEETING EXPORT COMMITMENTS AND HAS EMVN RECEIVED ORDERS FROM US COMPANIES. OUR JUDGMENT, WHICH WE ASK BE PASSED ON TO MARSHALL, IS THERE IS NO FURTHER GIVE IN THE GOI POSITION. OUR RECOMMENDATION IS THAT MIA TRY THE NEW SYSTEM OUT AND SEE WHAT HAPPENS. IN ACCORDANCE WITH THE GSA MANDATE NOT TO INTERFERE WITH COMMERCIAL MARKETS, WE TRUST THAT UNTIL MIA MEMBERS HAVE AT LEAST TRIED TO MAKE PURCHASES UNDER THE PROPOSED ARRANGEMENTS NO ADDITIONAL COMMITMENTS FOR STOCKPILE RELEASES WILL BE MADE. SAXBE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DISPUTE SETTLEMENT, MICA, PRICE CONTROLS, IMPORTERS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 28 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976NEWDE01353
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760033-0942
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760114/aaaaallv.tel
Line Count: 98
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 STATE 305281, 76 NEW DELHI 16014
Review Action: RELEASED, APPROVED
Review Authority: KelleyW0
Review Comment: n/a
Review Content Flags:
Review Date: 21 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 JUL 2004 by coburnhl>; APPROVED <01 NOV 2004 by KelleyW0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MICA
TAGS: EMIN, ETRD, IN, USINJC, MICA INDUSTRY ASSOCIATION
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006